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Duncan Park
GOLD AND SILVER EXPLORATION

www.duncanpark.com

Duncan Park Holdings Corporation

Financial Statements

As At and For the Year Ended

November 30, 2010 and 2009

T. Robert Hambley
Chartered Accountant
151 Bloor Street West, Suite 800
Toronto, Ontario M5S 1S4

AUDITOR'S REPORT

To the Shareholders of
Duncan Park Holdings Corporation

I have audited the consolidated balance sheets of Duncan Park Holdings Corporation as at November 30th 2010 and 2009 and the consolidated statements of deficit, accumulated comprehensive income, operations and comprehensive income, and changes in cash position for the years then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company at November 30th, 2010 and 2009 and the results of its operations and comprehensive income and the changes in its cash position for the years then ended in accordance with Canadian generally accepted accounting principles.

"Signed"

Toronto, Ontario
March 25, 2011

T. Robert Hambley, C.A.
Licensed Public Accountant

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Duncan Park Holdings Corporation
Balance Sheets
As At November 30, 2010 and 2009

	2010	2009
ASSETS		
CURRENT		
Cash	$318,643	264,216
Federal sales tax recoverable (Note 5)	26,525	50,886
	345,168	315,102
INVESTMENT IN MINING PROPERTIES (Note 2)		
Option on mining claims		
Property payments	51,620	-
Exploration expenses	143,153	-
	194,773	-
TOTAL ASSETS	539,941	315,102
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses	38,182	27,569
TOTAL LIABILITIES	38,182	27,569
SHAREHOLDER'S EQUITY		
Share capital (Note 6)	8,413,421	7,916,754
Deficit	(7,911,662)	(7,629,221)
Accumulated comprehensive income	-	-
	501,759	287,533
	$539,941	$315,102

Signed On Behalf of the Board

(signed) Eric Salsberg
Director

(signed) Ian McAvity
Director

Duncan Park Holdings Corporation

Consolidated Statements of Deficit

For the Years Ended November 30, 2010 and 2009

	2010	2009
DEFICIT - BEGINNING OF PERIOD	(7,629,221)	(4,246,504)
INCOME (LOSS) FOR THE PERIOD	(282,441)	(3,423,646)
WRITE OFF OF CONTRIBUTED SURPLUS	-	33,972
WRITE OFF OF UNCLAIMED DIVIDENDS	-	6,957
DEFICIT - END OF PERIOD	($7,911,662)	($7,629,221)

Consolidated Statements of Accumulated Comprehensive Income

For the Years Ended November 30, 2010 and 2009

	2010	2009
ACCUMULATED COMPREHENSIVE INCOME - BEGINNING OF PERIOD	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	-	-
ACCUMULATED COMPREHENSIVE INCOME - END OF PERIOD	-	-

Duncan Park Holdings Corporation
Consolidated Statements of Operations And Comprehensive Income
For the Years Ended November 30, 2010 and 2009

	2010	2009
Foreign exchange gain (loss)	(495)	(4,795)
EXPENSES		
Executive compensation		
Chief executive officer	30,000	30,125
Chief financial officer	49,347	35,632
Professional fees		
Geologist	8,697	17,647
Legal	106,547	50,307
Audit	11,491	8,400
Regulatory compliance	27,688	22,054
Investor communications	30,302	1,879
Interest and bank charges	653	2,083
Office and general	17,221	17,787
	281,946	185,914
Mining claims and exploration costs written off	-	3,277,008
Federal sales tax recoverable	-	(44,071)
NET EXPENSES	281,946	3,418,851
INCOME (LOSS) BEFORE INCOME TAXES	(282,441)	(3,423,646)
PROVISION FOR INCOME TAXES (NOTE 9)	-	-
NET INCOME (LOSS) FOR THE PERIOD	(282,441)	(3,423,646)
OTHER COMPREHENSIVE INCOME	-	-
NET INCOME AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	($282,441)	($3,423,646)
INCOME (LOSS) PER SHARE		
Basic	($0.004)	($0.108)
Fully diluted	($0.004)	($0.108)
Weighted Average Number of Shares Outstanding	63,761,635	31,716,191

Duncan Park Holdings Corporation
Consolidated Statements of Changes in Cash Position
For the Years Ended November 30, 2010 and 2009

	2010	2009
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Income (loss) for the period	($282,441)	($3,423,646)
Increase (decrease) in current liabilities	10,613	(111,099)
Recovery (payment) of federal sales tax	24,361	(50,886)
Write off of mining properties and exploration costs	-	3,260,141
Reclamation performance bond	-	34,347
	(247,467)	(291,143)
FINANCING		
Issue of "flow through" shares for cash	200,000	300,000
Issue of shaes for cash on exercise of warrants	296,667	-
	496,667	300,000
INVESTING		
Investment in mining exploration properties	(194,773)	-
INCREASE (DECREASE) IN CASH	54,427	8,857
CASH AND EQUIVALENTS		
AT BEGINNING OF PERIOD	264,216	255,359
AT END OF PERIOD	$318,643	$264,216

1. NATURE OF OPERATIONS

The Corporation operates in the mining industry exploring for gold and other precious metals.

2. EXPLORATION OPTION AGREEMENTS

The Corporation has entered into two agreements with Sphere Resources Inc. (“Sphere”) with respect to two properties in the Red Lake mining district of north-western Ontario, Canada, commonly referred to as the “Dome” and the “McManus” properties. Pursuant to the agreements, which are described fully below, the Corporation has acquired Sphere’s right to earn a 75% interest in the Dome property and a 100% interest in the McManus property by assuming Sphere’s earn-in obligations, subject to Sphere’s right to claw back a 51% interest in either property by the payment to the Corporation of four times the amount expended for the property and subject to Net Smelter Royalty obligations (“NSR’s) to the underlying property owners. The result of the agreements is that the Corporation has the right to earn into 75% of the Dome property at a cost of approximately $1,000,000 subject to Sphere’s right to claw back 51% at a cost to Sphere of approximately $4.0 million, leaving the Corporation with 24%, and the right to earn a 100% interest in the McManus property at a cost of approximately $1,200,000 subject to Sphere’s right to claw back 51% at a cost to Sphere of $4.8 million leaving the Corporation with 49%.

Dome Agreement

On March 7, 2010, following upon a letter of intent dated November 28, 2009, the Corporation entered into an option and joint venture arrangement (the “Option Agreement”) with Sphere Resources Inc. (“Sphere”) with respect to 13 unpatented mining claims covering 34 units in the Dome, Byshe and Heyson Townships in Ontario’s Red Lake Gold District, generally referred to as the Dome property (the” Property”). Subsequently, 4 unpatented mining claims covering 5 mining units were added to the Property at nominal cost.

Under the terms of the Option Agreement, the Corporation would join Sphere in exploring the Property, which has been optioned by Sphere from Global Minerals Limited ("Global"). Sphere has granted Duncan Park the option to acquire its option to acquire a 75% interest in the Property, subject to the following:

1. A 2% net smelter royalty (“NSR”) held by the original property owners, one percent of which may be acquired for $1,750,000 and one percent of which is subject to a right of first refusal in favour of Sphere and Duncan Park;
2. Satisfaction of the terms of the Global/Sphere agreement, which are essentially the making of the payments and incurring the exploration expenses set out below and the issue to Global by Sphere of 500,000 shares of Sphere each year for three years; and
3. Sphere’s right to claw back from Duncan Park a 51% undivided interest in the Property by paying Duncan Park an amount equal to four times Duncan Park's expenditures on the Property, which right may be exercised by Sphere within 30 days following the earn-in date.

In addition, if Sphere, or failing it, Duncan Park, activates its option, Global has the right to require Sphere or Duncan Park, as the case may be, to acquire its remaining 25% undivided interest in the Property in exchange for a 3% NSR, which NSR may be acquired by Sphere or Duncan Park by the issue of 3,000,000 Sphere shares or 1,500,000 Duncan Park shares.

For Duncan Park to acquire Sphere's option to acquire a 75% interest in the Property, Duncan Park must make cash payments of $25,000 per year to Global, issue to Sphere two million Duncan Park shares per year for three years, and make staged exploration expenditures of $75,000 in year one, $350,000 in year two and $500,000 in year three. Duncan Park retains the right to accelerate the cash payments and share issuances and Duncan Park may abandon the project after year two with no residual interest, further spending requirements or obligation to issue Sphere the third installment of Duncan Park shares.

The Option Agreement contemplates that Sphere will act as operator of the Property during the option period with Duncan Park having the right to approve all work plans and budgets. It also contemplates that shortly after the earn-in date the continuing parties will enter into a joint venture agreement to carry on the exploration.

McManus Agreement.

Subsequent to the year end, the Corporation entered into a Letter of Intent, with Sphere with respect to funding the exploration of 17 patented mining claims and 11 licenses of occupation (the “Claims”) covering approximately 324 hectares, which expand the Red Lake property.

Sphere is entitled to earn a 100% interest in the Claims, subject to the satisfaction of certain conditions as set out below, pursuant to a letter agreement (the “Letter Agreement”) that it has entered into with Camp McMan Red Lake Gold Mines Inc. (“Camp McMan”).

The Claims abut the Dome property, add approximately 65% to the size of the Red Lake property and square up and fill in the north-eastern section of the property.

Since the Claims abut the Dome property, they are subject to area of interest clauses in both the Sphere/Duncan Park Option Agreement (the “Dome Option Agreement”) and the Sphere/Global Option Agreement (the “Global Option Agreement”).

Pursuant to the Dome Option Agreement, Duncan Park is required to pay Sphere 24% of Sphere’s acquisition costs. However, the Letter of Intent provides that Duncan Park will join Sphere in participating in the Camp McMan Option Agreement and will fund Sphere’s earn-in costs as set out below and thereby earn all of Sphere’s rights to the Claims, subject to Sphere’s right to clawback a 51% interest in the property by the payment to Duncan Park of four times the expenditures made by Duncan Park (“Sphere’s Clawback Right”).

Pursuant to the Global Option Agreement, the Claims may, at Global’s option and at no additional cost to Global, be made subject to that agreement in which Global has a standing 25% interest.

The result of the combination of the existing agreements and the Letter of Intent is that Duncan Park has the option to earn a 75% interest in the combined properties, subject to Sphere’s Clawback Right, which, if exercised, would leave Duncan Park with a 24% interest in the property and reimbursement of four times the combined required expenditures of approximately $2.41 million, with Global maintaining a 25% continuing interest.

Sphere's financial obligations (which are to be funded by Duncan Park under the Letter of Intent, as described above) and share issuance obligations pursuant to its Letter Agreement with Camp McMan are:

Date	Option Payment	Share Issue	Exploration Costs
On signing letter agreement	$ 10,000	Nil	Nil
On signing option agreement	$ 25,000	300,000	Nil
On or before December 15, 2011	$ 50,000	400,000	$ 100,000
On or before December 15, 2012	$ 50,000	500,000	$ 200,000
On or before December 15, 2013	$ 75,000	500,000	$ 350,000
On or before December 15, 2014	Nil	Nil	$ 550,000
Total	$210,000	1,700,000	$1,200,000

In addition, Sphere is obligated to make the tax payments on the Claims. Sphere is committed to the option payments, tax payments, share issuances and exploration costs for the first year.

Upon making the required option and tax payments and share issuances and incurring the exploration costs, Sphere will have earned a 100% interest in the Claims, including the residue of surface rights with respect thereto, subject only to a 3½% Net Smelter Royalty ("NSR") interest on all metals produced from the Claims to Camp McMan. Sphere also has the right to buy down the NSR interest from 3½% to 2% for $500,000 per ½%. Upon Sphere earning its interest in the Claims, Sphere is obligated to make annual advance royalty payments of $10,000 until either it exercises this option or a decision is made to enter production. As noted above, under the Letter of Intent, Duncan Park will have earned the above-mentioned interest in the Claims and the above-mentioned NSR buy-down right, and will be responsible for the above-mentioned advance royalty payments, all subject to Sphere's Clawback Right.

The McManus transaction remains subject to, among other things, receiving all requisite regulatory and other approvals, including stock exchange approval.

3. PREVIOUS OPERATIONS

The Corporation, through its wholly-owned subsidiary Duncan Park Holdings Nevada Ltd., had been exploring for gold on owned and leased properties in the State of Nevada, USA. It had not determined whether the properties contained ore reserves that were economically recoverable. However, on April 6, 2009 the Corporation received a letter from the lessor of certain key properties effectively forcing the termination of renegotiation of the contractual arrangements needed by the Corporation to continue exploration of those properties. The result was that the Corporation had to abandon those properties. It then also abandoned the lease of neighbouring property and subsequently abandoned mining claims it owned in the area. In 2010 the Nevada subsidiary company was wound up.

4. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements are stated in Canadian dollars and are prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. The appropriateness of using the going concern assumption is dependent upon, among other things, future profitable operations, the ability to realize assets and discharge liabilities in the normal course of business in the foreseeable future and the ability of the Corporation to raise additional capital. Specifically, the recovery of the Corporation's investment in mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition.

Consolidation

Effective November 30, 2009 the Corporation discontinued consolidating the financial position and results of operations of its wholly-owned Nevada subsidiary company because, due to the change in circumstances referred to in note 3 above, the Corporation had no ongoing beneficial interest in that company. The subsidiary company had no assets and one liability of record; that being an accrual of US$222,600 in respect of penalties for insufficient drilling pursuant to the leases referred to in note 3 above. The Corporation did not guarantee those obligations.

The deconsolidation of the subsidiary as of the 2009 year end date had no effect on the Corporation's financial statements for the year ending November 30, 2009 other than the omission of the subsidiary company's one liability. The results of the subsidiary company's operations through November 30, 2009 were consolidated. The Corporation wrote off the Cdn$5,412,101 it had advanced to the subsidiary company, but that particular write off did not appear in the 2009 financial statements because the advances had already been reflected in the consolidated financial statements initially as deferred exploration costs, and subsequently as write offs in the income statement as the impairment of the exploration assets became evident.

Exploration Properties

Investments in exploration properties are recorded at cost and are not written down except to the extent that it is determined that their value is impaired.

Expenditures which are initially capitalized include:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling;
- Trenching;
- Sampling, and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Some facts and circumstances which may be indicative of possible impairment are:

- The expiration of the period for which the Corporation has the right to explore the property or the Corporation's intention not to renew that right;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Corporation has decided to discontinue such activities in the specific area;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.

Any impairment loss identified is recognized as an expense in the income statement.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Stock Based Compensation

The Corporation follows the recommendations of the CICA Handbook Section 3870, "*Stock Based Compensation and Other Stock-Based Payments*". The section establishes standards for the recognition, measurement and disclosure of stock-based payments made in exchange for goods and services. The standard requires that all stock-based awards made to employees and non-employees must be measured and recognized using a fair value based method.

Fair value is estimated using the Black-Scholes Option Pricing Model, discounted to allow for the relative illiquidity of the Corporation's shares. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Corporation's stock options or other stock awards.

Financial Instruments

The Corporation has no complex financial instruments. In reporting its financial position and results of operations in accordance with the recommendations of the CICA Handbook section 3855 "Financial Instruments" the Corporation classifies its cash and cash equivalents as held-for-trading which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities which are measured at amortized cost.

Income Taxes

Income taxes are calculated using the asset and liability method of accounting. Under this method current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax asset and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and on unclaimed losses carried forward and are measured using the substantively enacted tax rates that will be in effect when the differences are expected to reverse or the losses are expected to be utilized. A valuation allowance is recognized to the extent that the recoverability of future income tax assets is not considered "more likely than not".

Loss Per Share

Basic loss per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period, including contingently issuable shares which are included when the conditions necessary for issuance have been met. Diluted loss per share is calculated in a similar manner, except that the weighted number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of common share purchase options and warrants, if dilutive. In periods of a loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive, and, accordingly, reported basic and diluted loss per share are equal.

Flow-Through Shares

The Corporation finances a portion of its exploration activities through the issuance of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. The proceeds received on the issue of such shares are credited to share capital and the related exploration costs are charged to mineral properties. Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. When these expenditures are renounced, temporary taxable differences created by the renunciation will reduce share capital and increase future tax liability.

Foreign Currency Translation

In prior years the Corporation's wholly-owned subsidiary was accounted for as an integrated foreign operation. Transactions of the Corporation and its subsidiary originating in a foreign currency were translated at the rates in effect at the time of the transaction. Monetary items denominated in a foreign currency were translated into Canadian dollars at the exchange rate in effect at the balance sheet date and non-monetary items were translated at historical exchange rates. Foreign exchange gains and losses are included in operations.

5. FEDERAL SALES TAX REFUND

During 2009 the Corporation filed GST returns for the years 2005 to 2008 inclusive claiming a refund of $43,606. The returns were assessed as filed and the refund was received. The Corporation continues to file quarterly GST/HST returns claiming back GST/HST paid as input tax credits.

6. SHARE CAPITAL

The authorized capital is an unlimited number of common shares.

The following share transactions have occurred in the past two fiscal years.

	Shares	$
Balance November 30, 2008	31,634,224	7,616,754
2009		
Issue of shares pursuant to a private placement (see (i) below)	30,000,000	300,000
Balance November 30, 2009	61,634,224	7,916,754
2010		
Issue of "flow through" shares pursuant to a private placement at $0.05 per share (see (ii) below)	4,000,000	200,000
Issue of shares on the exercise of warrants at $0.10 per share	2,966,667	296,667
Balance November 30, 2010	66,767,557	8,413,421

(i) In the fourth quarter of 2009, the Corporation completed a non-brokered private placement of 30,000,000 common shares at a price of $0.01 per share for aggregate gross proceeds of $300,000. The pricing of the private placement was consistent with the temporary pricing measures implemented by the TSX Venture Exchange. Insiders of the Company purchased 25% of the private placement.

(ii) In the second quarter of 2010, the Corporation completed a non-brokered private placement of 4,000,000 flow through common shares at $0.05 per share for aggregate proceeds of $200,000.

(iii) In the fourth quarter of 2010 warrant holders, including two directors of the Corporation, exercised warrants on 2,966,667 shares at a price of $0.10 per share for total proceeds of $296,667.

Proceeds from the private placements are being used for exploration of the Dome properties in Red Lake, Ontario, and for general working capital purposes

7. STOCK OPTION PLAN

The Corporation has a share option plan which was originally approved by shareholders in January, 2003 with certain amendments approved by shareholders in October, 2005, and further amendments in May 2010, at which time it was converted to a "rolling" plan under which the maximum number of options available to be granted is equal to 10% of the shares outstanding at the time of issuance of the grant. (The "Share Option Plan").

Options may be granted only to directors, officers, employees and other service providers, subject to applicable securities laws and the rules of any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. Options are personal to each optionee. The aggregate number of Common Shares reserved for issuance to any person, pursuant to the grant of options, may not exceed 5% of the total number of Common Shares then outstanding. In addition, the total number of Common Shares reserved for issuance to any one consultant or to an employee conducting investor relations activities, within a one-year period, shall not exceed 2% of the total number of Common Shares then outstanding. The Plan also provides that the aggregate number of Common Shares that may be reserved for issuance pursuant to options granted to insiders of the Corporation within a 12 month period shall not exceed 10% of the total number of Common Shares outstanding, unless the Corporation has obtained disinterested shareholder approval.

The exercise price of an option shall not be less than the closing price of the Common Shares on the stock exchange upon which its shares are listed on the last trading day on which the Common Shares traded immediately prior to the date of the grant, subject to an allowable discount of 25% and a $0.10 minimum.

Options granted under the Share Option Plan that have been cancelled or that have expired without being exercised shall again become available for grant. The Board has the discretion to determine the vesting schedule, if any, that would apply to option grants (subject to certain mandated vesting requirements for consultants conducting investor relations activities.) and discretion to determine when options will cease to be exercisable in the event of retirement or termination, subject to a 12-month outside date. Notwithstanding this discretion, options are not exercisable past their expiry date.

As a rolling plan, the plan must be approved by shareholders of the Corporation yearly at the Corporation's annual and special meeting of shareholders. The Share Option Plan continues to be administered by the Board, and provides that disinterested shareholder approval shall be obtained for any reduction in the exercise price of options held by insiders of the Corporation.

8. OPTIONS

The following table sets out the stock option activity for the latest two fiscal years.

	2010		2009		2008	
	Number	Average Price	Number	Average Price	Number	Average Price
At beginning of period	1,300,000	$0.39	1,450,000	$0.42	1,217,174	$0.00
Granted	-	-	-	-	900,000	$0.30
Exercised	-	-	-	-	-	-
Expired	(400,000)	$0.60	(150,000)	$0.70	(567,174)	-
Forfeited	(100,000)	-	-	-	(100,000)	-
At end of period	800,000	$0.30	1,300,000	$0.39	1,450,000	$0.42

At November 30, 2010, the following options were outstanding:

Holder	On # Of Shares	Exercise Price	Expiry Date
Eric Salsberg	100,000	$0.30	January 2, 2013
Harold Doran	150,000	$0.30	January 2, 2013
Ian McAvity	300,000	$0.30	January 2, 2013
Larry Kornze	250,000	$0.30	January 2, 2013
	800,000		

9. WARRANTS

In November 2008, the Corporation completed a non-brokered private placement and issued 6,666,666 units at a price of $0.03 per unit for aggregate gross proceeds of approximately $200,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant is exercisable at a price of $0.05 per share during the first twelve months of its term to November 19, 2009, and thereafter at a price of $0.10 per share during the second twelve months of its term to on November 19, 2010.

The following table sets out the warrant activity for the last two years.

	2010	2009
At beginning of period	6,666,666	6,666,666
Issued	-	-
Exercised	1,133,333	-
Expired	5,533,333	-
At end of period	-	6,666,666

10. INCOME TAXES

For Canadian income tax purposes the Corporation is reporting an operating loss of approximately $280,000. As of November 30, 2010 the Corporation had cumulative losses for income tax purposes of approximately$1,932,400, expiring at various times up to 2031, and a capital loss arising from the write off of the advances to the subsidiary company of $5,412,100, one half of which is deductible for income tax purposes and which may be carried forward indefinitely against capital gains. The Corporation has no current prospect of utilizing these losses.

These losses available for carry-forward give rise to a latent tax asset in the amount of approximately $1,700,000. However, as the prospect of utilizing these losses is not “more likely than not” the Corporation has not reflected the potential asset in these financial statements.

11. FINANCIAL INSTRUMENTS

The Corporation's financial instruments include from time to time cash, Government of Canada treasury bills, miscellaneous receivables and deposits and trade accounts payable and accrued liabilities.

i) Classification
The Corporation designated its cash and Government of Canada treasury bills as held for trading which are measured at fair value. Transaction costs are expensed as incurred for financial instruments classified as held for trading. Miscellaneous receivables and deposits are classified as loans and receivables which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities and are measured at amortized cost.

ii) Foreign-exchange risk management -
The Corporation's exposure to foreign exchange fluctuations is limited to its U.S. cash which at August 31, 2010 amounted to US$444 and US accounts payable of which there were none. All such assets and liabilities are recorded on the balance sheet at current exchange rates.

iii) Interest-rate risk management -
The Corporation currently has no interest bearing debt outstanding.

12. LISTING STATUS

On August 19, 2009 the TSX Venture Exchange transferred the Corporation's stock exchange listing from the TSXV to the NEX board of the TSXV. The Corporation's common shares now trade under the symbol "DPH.H". The transfer to NEX is a result of Duncan Park's current inability to meet the TSXV's Tier 2 Tier Maintenance Requirements following the previously announced termination of the leases on its US subsidiary's two former properties in northern Nevada.

The NEX is a separate board of the TSX Venture Exchange for companies previously listed on the TSX Venture Exchange or Toronto Stock Exchange which have failed to maintain compliance with ongoing listing standards of these markets. NEX has been designed to provide a forum for the trading of publicly listed shell companies while they seek and undertake transactions in furtherance of their reactivation as companies which carry on an active business.

On November 8, 2010 pursuant to an application therefore demonstrating its qualifications, the Company's shares were relisted on Tier 2 level of the TSXV.

13. COMMITMENTS

Pursuant to the Dome Option Agreement referred to in Note 2, the Corporation committed to incur additional exploration costs in the amount of $270,000 before November 18, 2011. It is also committed to issue 2,000,000 shares to Sphere by May 31, 2011.

If it elects to continue with the option agreement beyond November 18, 2011, it must then pay Global $25,000 on November 18, 2011, incur a further $500,000 in exploration expenses in the ensuing year, and issue an additional 2,000,000 shares to Sphere in April 2012.

Pursuant to the McManus agreement the Corporation is committed to pay Camp McMan $35,000 (which has since been paid) and to incur $100,000 in exploration expenses by December 15, 2011.

If it elects to continue from year to year with the option agreement beyond December 15, 2011, it must then pay Camp McMan $50,000 on December 15, 2011 and 2012 and $75,000 on December 15, 2013, and incur further exploration expenses of $200,000, $300,000, and $550,000 in each of the ensuing years.

14. SUBSEQUENT EVENTS

1. Subsequent to the year end, the Corporation entered into a Letter of Intent, with Sphere with respect to funding the exploration of 17 patented mining claims and 11 licenses of occupation (the "Claims") covering approximately 324 hectares, which expand the Red Lake property. Details of this transaction were included in Note 2 above in order that all of the property and exploration information be in one place to make it more easily understood.

2. In February 2011, The Corporation issued 1,083,743 units at a price of $0.015 thereby raising $1,100,000 pursuant to a private placement. Each Unit was comprised of one "flow-through" common share and one-half of one non flow-through common share purchase warrant (a "Warrant"). Each whole Warrant shall be exercisable for one common share at a price of $0.15 per share for a period of 12 months.

Proceeds from the private placement are being used to finance exploration on the Company's Red Lake properties.

In connection with the private placement, the Corporation paid an aggregate cash fee of $74,700 to the following finders: Limited Market Dealer Inc., Secutor Capital Management Inc. and Jones, Gable & Company Limited (collectively, the "Finders"). The Company also issued an aggregate of 871,428 finder's options ("Finder's Options") to the Finders. Each Finder's Option is exercisable for one non flow-through unit (a "Finder's Unit") at a price of $0.105 per Finder's Unit for a period of 12 months. Each Finder's Unit shall be exercisable on the same terms as the Units, except that the common shares issuable thereunder shall be non flow-through shares.